

THE MASSACHUSETTS RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
Way Finders, Fiscal Year 2018



SUMMARY

Way Finders provided assistance to 747 households through the RAFT program in FY 2018. The average RAFT payment was \$2,047. Thirty-eight households that received RAFT in FY 2018 also received assistance from the program in FY 2017, accounting for 5.6 percent of the families that received RAFT from Way Finders in FY 2017.¹

NEED FOR RAFT: HOUSING COSTS AND DEMOGRAPHICS IN HAMPDEN AND HAMPSHIRE COUNTIES

Approximately 37 percent of Hampden County residents and 30 percent of the population of Hampshire County live in rental units. The percentage of renters in the region's cities is higher. Fifty-four percent of the residents of Springfield are tenants and 59 percent of housing units in Holyoke are rentals.² A 2013 study found that the Springfield metro area was the most segregated urban area in the county for Whites and Hispanics, as well as being in the top 25 most segregated cities for whites and African-Americans.³

The HUD Fair Market Rent for a two-bedroom apartment in the Springfield Metropolitan Area is \$1,117, an increase of 5.6 percent compared to 2017.⁴ To afford a two-bedroom apartment at the Fair Market Rent, a household would need an annual income of \$44,680.⁵ The median income of the households that received RAFT from Way Finders in FY 2018 was \$21,639. Fair Market Rent for a two-bedroom apartment in Springfield represents 62 percent household income for the typical RAFT recipient in the region.

The households that received RAFT from Way Finders in FY 2018 are a very small percentage of the region's residents who struggle to pay for housing. More than 55 percent of renters in Hampden and Hampshire counties, a total of 45,902 households, pay more than 30 percent of their income

toward housing costs. The families that received RAFT from Way Finders in FY 2018 account for approximately 1.6 percent of rent-burdened households in the two counties combined. There are more than 14,000 families with children living in poverty in the region; three quarters of these households are single mothers with children.⁶

HAMPDEN AND HAMPSHIRE COUNTIES BY THE NUMBERS

Families with Children Living in Poverty	14,103
Poverty Level for Family of Three	\$ 20,776
Affordable Rent at Poverty Level	\$ 519
Fair Market Rent for Two Bedroom Apartment	\$ 1,117
Rental Housing Vacancy Rate	4.5 %

WAY FINDERS' RAFT PROGRAM

Way Finders administers the RAFT program in Hampden and Hampshire Counties.⁷ In FY 2018 the agency provided a total of \$1,529,477 in RAFT assistance to 747 households. On average, these households received \$2,047 in RAFT, which represents a 7.5 percent decrease from FY 2017, and is 21 percent less than the average RAFT benefit statewide.

TABLE 1: WAY FINDERS' RAFT ASSISTANCE BY COMMUNITY, 2018

Town	Assistance	% of Assistance	Households	% of Households
AGAWAM	\$ 14,454	0.9 %	7	0.9 %
AMHERST	\$ 2,342	0.2 %	2	0.3 %
BELCHERTOWN	\$ 7,912	0.5 %	5	0.7 %
BRIMFIELD	\$ 650	0.0 %	1	0.1 %
CHICOPEE	\$ 125,081	8.2 %	64	8.6 %
EASTHAMPTON	\$ 6,602	0.4 %	3	0.4 %
GOSHEN	\$ 4,740	0.3 %	2	0.3 %
HADLEY	\$ 1,900	0.1 %	1	0.1 %
HOLYOKE	\$ 198,893	13.0 %	99	13.3 %
LUDLOW	\$ 7,460	0.5 %	3	0.4 %
MONSON	\$ 1,651	0.1 %	1	0.1 %
NORTHAMPTON	\$ 11,263	0.7 %	6	0.8 %
PALMER	\$ 16,623	1.1 %	6	0.8 %
RUSSELL	\$ 2,925	0.2 %	1	0.1 %
SOUTH HADLEY	\$ 14,100	0.9 %	5	0.7 %
SOUTHAMPTON	\$ 5,470	0.4 %	2	0.3 %
SOUTHWICK	\$ 6,303	0.4 %	3	0.4 %
SPRINGFIELD	\$ 1,009,791	66.0 %	490	65.6 %
WARE	\$ 10,568	0.7 %	7	0.9 %
WEST SPRINGFIELD	\$ 32,245	2.1 %	14	1.9 %
WESTFIELD	\$ 36,600	2.4 %	19	2.5 %
WILBRAHAM	\$ 963	0.1 %	1	0.1 %

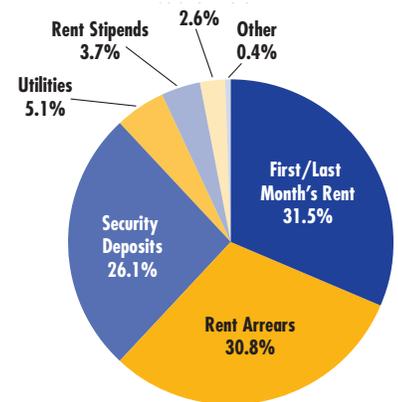
Households received RAFT from Way Finders in 22 communities in Hampden and Hampshire counties.⁸ Residents of Hampden County accounted for ninety-five percent of Way Finders FY 2018 RAFT households, and households in Springfield received two-thirds of Way Finders RAFT assistance funds. Based on the number of RAFT recipients in each county as a percentage of poor and rent-burdened households, it appears that RAFT-eligible households in Hampshire County may be underserved by the program. The 33 households that received RAFT in Hampshire County in FY 2018 were just 0.4 percent of Hampshire County renters that pay more than 30 percent of their income towards housing; this represents the lowest rate of RAFT coverage in all counties statewide.

Almost 90 percent of RAFT households that received assistance from Way Finders were headed by women. The typical household that received RAFT included a woman and two children. More than 72 percent of RAFT households identified as white and 27 percent as Black/African-American. Sixty-one percent of households that received RAFT from Way Finders in FY 2018 identified as Hispanic/Latino. The Hispanic population of Hampden County is 24 percent, and Springfield is 44 percent Hispanic; Latinos are significantly over-represented among Way Finders' FY 2018 RAFT clients.⁹ The average age for heads of household that received RAFT from Way Finders in FY 2018 was 35.

Seventy-four households without children under the age of 21 received RAFT from Way Finders in FY 2018, representing ten percent of the agency's RAFT clients and nine percent of assistance funds. A majority of these households consisted of a single person. Their median income was \$15,564, which was just 72 percent of the median income of Way Finders' RAFT households on the whole. Way Finders collaborates with the Mental Health Association and Tenancy Preservation Program, and staff report that many of their single-person households that received RAFT were individuals in recovery from substance abuse, or living with mental illness.

Forty-four percent of the households that received RAFT from Way Finders in FY 2018 were living with other families and were asked to leave. Forty-three percent were facing eviction. Sixty-one families experienced utility shut-offs, and 46 households faced a housing crisis due to fire, flood or natural disaster. Approximately 30 percent of households that received RAFT from Way Finders in FY 2018 had subsidized housing. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF WAY FINDERS' RAFT FUNDS, FY 2018



ESTIMATED SAVINGS FROM THE WAY FINDERS RAFT PROGRAM

Families with children and single pregnant women earning up to 115 percent of the Federal Poverty Level may be eligible for Emergency Assistance, the state's family shelter program. On average, the Commonwealth spent \$46,450 on each family that used the Emergency Assistance Program in FY 2018.¹⁰ The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,892. Approximately 63 percent of the families that received RAFT from Way Finders in FY 2018, 425 households, had incomes below this threshold.¹¹ Table 2 shows estimated savings from the RAFT program based on different assumptions about the percentage of Way Finders' RAFT recipients that might have become homeless and eligible for shelter without assistance from RAFT.¹²

TABLE 2: ESTIMATED EA SAVINGS FROM WAY FINDERS' RAFT PROGRAM

Assumed % of EA Eligible RAFT Clients That Could Have Needed Shelter	Number of EA Eligible RAFT Clients That Could Have Needed Shelter Based on Assumed %	Cost of EA @ \$46,450/ Household	Cost of RAFT @ \$3,130/ Household	Estimated Savings
10 %	43	\$ 1,549,155	\$ 145,887	\$ 1,403,267
25 %	106	\$ 3,872,887	\$ 364,718	\$ 3,508,168
50 %	213	\$ 7,745,774	\$ 729,437	\$ 7,016,337
75 %	319	\$ 11,618,660	\$ 1,094,155	\$ 10,524,505
100 %	425	\$ 15,491,547	\$ 1,458,874	\$ 14,032,673

In addition to representing savings from the avoided cost of the Emergency Assistance Program, RAFT also provides critical stability for families facing challenging circumstances, like Vanessa (not her real name) and her five children.

Vanessa and her family became homeless in November 2017 when a fire destroyed their apartment and all their possessions. The Red Cross provided temporary accommodations at a hotel. Vanessa had a Section 8 housing voucher, so she could afford to pay rent going forward, but did not have the funds to move into a new apartment. RAFT paid for a security deposit and new beds for the family. "Without this assistance, we would not have been able to move into our own apartment as quickly as we did, which my children needed in order to start to heal from the nightmare of having our home destroyed by fire," explained Vanessa.

ABOUT WAY FINDERS

Way Finders provides a broad range of housing services in Hampden and Hampshire counties. The agency's programs including affordable housing development and rentals, rental assistance, homelessness prevention and emergency housing assistance, housing and homebuyer education and counseling, and foreclosure prevention. For more information, please contact Ashley Brehm, (413) 233-1741, abrehm@wayfindersma.org.

REPORT FOOTNOTES

- ¹ All data on RAFT provided by Way Finders and Tracker Systems, the Commonwealth's software vendor for the program.
- ² U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ³ William H. Frey, Brookings Institution and University of Michigan Social Science Data Analysis Network's analysis of 1990, 2000 and 2010 Census Decennial Census tract data.
- ⁴ HUD Fair Market Rent (FMR) is used to determine payment standards for the federal Housing Choice Voucher (Section 8) program. FMRs reflect the cost of rent and utilities paid by tenants, and are determined regionally. FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The standard represents the 40th percentile rent, i.e., the dollar amount below which 40 percent of the standard-quality private market housing units are rented.
- ⁵ National Low Income Housing Coalition, Out of Reach 2018. Housing costs, including rent and utilities, are considered affordable if they are no more than 30 percent of household income.
- ⁶ U.S. Census, American Community Survey, 2013-2017, 5-year estimates.
- ⁷ Way Finders offers RAFT assistance in the all cities and towns in Hampden and Hampshire counties.
- ⁸ This total does not include \$240 in RAFT assistance provided to a household with an address outside of Hampden and Hampshire counties. Way Finders also provided \$10,700 in RAFT to four families that moved out of Massachusetts.
- ⁹ U.S. Census, American Community Survey 2013-2017, 5-year estimates.
- ¹⁰ Commonwealth of Massachusetts, Department of Housing and Community Development, DHCD EA Monthly Report, Statewide Summary, June 2018.
- ¹¹ This is a rough estimate of the number of EA-eligible households, assuming average family size of 3 and subtracting the number of households that would be categorically ineligible for Emergency Assistance.
- ¹² For the purpose of this table, the average cost of the RAFT program is a statewide figure that includes all administrative expenses for the program. Due to the fact that the average RAFT benefit for clients of Way Finders is 21 percent less than the statewide average, this calculation significantly understates likely savings from the Way Finders RAFT program.

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